

Amendment Offered by Mr. Pascrell of New Jersey

This amendment adds a new title at the end of the bill. The Give Assistance and Help to Americans impacted by Natural Disasters Act (“Give A HAND” Act) would ensure that all victims of natural disasters are treated equally by the Federal government by providing relief to individuals and businesses to both recover in the immediate aftermath of the natural disasters and rebuild American communities. Under the amendment, taxpayers who suffered from natural disasters in the past (from 2012 through 2015) would receive certain tax benefits retroactively that will help make them whole. The amendment also provides a package of relief provisions that are effective for all natural disasters from 2016 going forward including relief for victims from the recent wildfires in Northern California, and Hurricanes Harvey, Irma, and Maria. The amendment would ensure that U.S. territories impacted by natural disasters, including Puerto Rico and the U.S. Virgin Islands – still reeling from the devastating storms, have the adequate tools and economic support from the Federal government to rebuild and begin to grow once again.

**AMENDMENT.****OFFERED BY M...**

Add at the end the following:

**TITLE VI—DISASTER RELIEF**  
**Subtitle A—Tax Relief Relating to**  
**Disasters in 2012, 2013, 2014,**  
**and 2015**

**SEC. 601. EXPENSING OF QUALIFIED DISASTER EXPENSES.**  
 (a) IN GENERAL.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 198 the following:

**SEC. 198A. EXPENSING OF QUALIFIED DISASTER EXPENSES.**

(a) IN GENERAL.—A taxpayer may elect to treat any qualified disaster expenses which are paid or incurred by the taxpayer as an expense which is not chargeable to capital account. Any expense which is so treated shall be allowed as a deduction for the taxable year in which it is paid or incurred.

(b) QUALIFIED DISASTER EXPENSE.—For purposes of this section, the term ‘qualified disaster expense’ means any expenditure—

(1) which is paid or incurred in connection with a trade or business or with business-related property;

(2) which is—

(A) for the abatement or control of hazardous substances that were released on account of a federally declared disaster occurring during the period beginning—

(i) after December 31, 2007, and before January 1, 2010, or

(ii) after December 31, 2011, and before January 1, 2013,

(B) for the removal of debris from, or the demolition of structures on, real property which is business-related property damaged or destroyed as a result of a federally declared disaster occurring during any such period, or

(C) for the repair of business-related property damaged as a result of a federally declared disaster occurring during any such period, and

(D) which is otherwise chargeable to capital ac-

count;

(c) OTHER DEFINITIONS.—For purposes of this section—

g:\VHLC\10017\110017.000.xml (6700004)  
November 8, 2017 (12:32 p.m.)g:\VHLC\10017\110017.000.xml (6700004)  
November 8, 2017 (12:32 p.m.)

(1) BUSINESS-RELATED PROPERTY.—The term ‘business-related property’ means property—

(A) held by the taxpayer for use in a trade or business or for the production of income, or

(B) described in section 1221(a)(1) in the hands of the taxpayer.

(2) FEDERALLY DECLARED DISASTER.—The term ‘federally declared disaster’ has the meaning given such term by section 165(g)(5)(A).

(d) DEDUCTION RECAPTURE AS ORDINARY INCOME ON SALE, ETC.—Soley for purposes of section 1245, in the case of property to which a qualified disaster expense would have been capitalized but for this section—

(1) the deduction allowed by this section for such expense shall be treated as a deduction for depreciation, and

(2) such property (if not otherwise section 1245 property) shall be treated as section 1245 property solely for purposes of applying section 1245 to such deduction.

(e) COORDINATION WITH OTHER PROVISIONS.—Sections 198, 280B, and 468 shall not apply to amounts which are treated as expenses under this section.

(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.”.

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 198 the following item:

“Sec. 198A. Expensing of qualified disaster expenses.”.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2011, in connection with disasters declared after such date.

**SEC. 602. INCREASED LIMITATION ON CHARITABLE CONTRIBUTIONS FOR DISASTER RELIEF.**

(a) INDIVIDUALS.—Paragraph (1) of section 170(b) of the Internal Revenue Code of 1986 is amended by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively, and by inserting after subparagraph (B) the following new subparagraph:

**“(F) QUALIFIED DISASTER CONTRIBUTION...**

(i) IN GENERAL.—Any qualified disaster contribution shall be allowed to the extent that the aggregate of such contributions does not exceed the excess of 80 percent of the taxpayer’s contribution base

g:\VHLC\10017\110017.000.xml (6700004)  
November 8, 2017 (12:32 p.m.)g:\VHLC\10017\110017.000.xml (6700004)  
November 8, 2017 (12:32 p.m.)

1       (2) CONFORMING AMENDMENT.—Subparagraph  
2       (A) of section 170(b)(2) of such Code is amended by  
3       striking “subparagraph (B) and (C) apply” and in-  
4       serting “subparagraphs (B), (C) and (D) apply”.

5       (e) EFFECTIVE DATE.—The amendments made by  
6       this section shall apply to disasters arising in taxable years  
7       ending after December 31, 2011.

8       SEC. 8105. LOSSES ATTRIBUTABLE TO DISASTERS IN 2012,  
9       2013, 2014, AND 2016.

10     (a) IN GENERAL.—Section 165(h) of the Internal  
11     Revenue Code of 1986 is amended by redesignating para-  
12     graphs (3) and (4) as paragraphs (4) and (5), respectively,  
13     and by inserting after paragraph (2) the following:

14       “(3) SPECIAL RULE FOR LOSSES IN FEDERALLY  
15     DECLARED DISASTERS.—

16           “(A) IN GENERAL.—If an individual has a  
17      net disaster loss for any taxable year, the  
18      amount determined under paragraph (2)(A)(ii)  
19      shall be the sum of—

20           “(i) such net disaster loss, and  
21           “(ii) so much of the excess referred to  
22      in the matter preceding clause (i) of para-  
23      graph (2)(A) (reduced by the amount in  
24      clause (i) of this subparagraph) as exceeds

1       10 percent of the adjusted gross income of  
2       the individual.

3       “(B) NET DISASTER LOSS.—For purposes  
4       of subparagraph (A), the term ‘net disaster  
5       loss’ means the excess of—

6           “(i) the personal casualty losses—

7           “(I) attributable to a federally  
8       declared disaster occurring during the  
9       period beginning after December 31,  
10      2007, and before January 1, 2010, or  
11      during the period beginning after De-  
12      cember 31, 2011, and before January  
13      1, 2016, and

14           “(II) occurring in a disaster  
15      area, over

16           “(ii) personal casualty gains.

17       “(C) FEDERALLY DECLARED DISASTER.—  
18      For purposes of this paragraph—

19           “(i) FEDERALLY DECLARED DIS-  
20      ASTER.—The term ‘federally declared dis-  
21      aster’ has the meaning given such term by  
22      subsection (i)(5)(A).

23           “(ii) DISASTER AREA.—The term ‘dis-  
24      aster area’ has the meaning given such  
25      term by subsection (i)(5)(B).”,

1       (b) CONFORMING AMENDMENT.—Paragraph (4) of  
2       section 165(h) of such Code, as so redesignated, is amend-  
3       ed by striking “paragraph (2)” and inserting “paragraphs  
4       (2) and (3)”.

5       (c) LOSS ALLOWED WHETHER OR NOT INDIVIDUAL  
6       ITEMIZED DEDUCTIONS.—Section 62(a) of the Internal  
7       Revenue Code of 1986 is amended by inserting after para-  
8       graph (21) the following new paragraph:

9           “(22) DISASTER CASUALTY LOSSES.—Any net  
10      disaster loss (as defined in section 165(h)(3)(B)).”.

11       (d) TECHNICAL AMENDMENT.—Subparagraph (A) of  
12      section 165(h)(5) of the Internal Revenue Code of 1986  
13      is amended by inserting “major” after “means any”.

14       (e) EFFECTIVE DATE.—The amendments made by  
15      this section shall apply to disasters declared in taxable  
16      years beginning after December 31, 2011.

17       (f) USE OF AMENDED INCOME TAX RETURNS TO  
18      TAKE INTO ACCOUNT RECEIPT OF CERTAIN CASUALTY  
19      LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN  
20      CASUALTY LOSS DEDUCTIONS.—

21           (1) IN GENERAL.—Notwithstanding any other  
22      provision of the Internal Revenue Code of 1986, if  
23      a taxpayer—

24           (A) claims a deduction for any taxable year  
25      with respect to a casualty loss to a principal

1       residence (within the meaning of section 121 of  
2       such Code) resulting from any federally de-  
3       clared disaster (as defined in section  
4       165(h)(3)(C) of such Code) occurring during  
5       the period beginning after December 31, 2011,  
6       and before January 1, 2016, and

7           (B) in a subsequent taxable year receives  
8      a grant under any Federal or State program as  
9      reimbursement for such loss,

10      such taxpayer may elect to file an amended income  
11      tax return for the taxable year in which such deduc-  
12      tion was allowed (and for any taxable year to which  
13      such deduction is carried) and reduce (but not below  
14      zero) the amount of such deduction by the amount  
15      of such reimbursement.

16       (2) TIME OF FILING AMENDED RETURN.—  
17      Paragraph (1) shall apply with respect to any grant  
18      only if any amended income tax returns with respect  
19      to such grant are filed not later than the later of—

20           (A) the due date for filing the tax return  
21      for the taxable year in which the taxpayer re-  
22      ceives such grant; or

23           (B) the date which is 1 year after the date  
24      of the enactment of this Act.

1       (b) REMOVAL OF EXCLUSION.—Section  
 2       268(a)(2)(B)(i) of such Code is amended by inserting  
 3       “and” at the end of subclause (I), by striking “,” and  
 4       at the end of subclause (II) and inserting a period, and  
 5       by striking subclause (III).

6       (c) EFFECTIVE DATE.—The amendments made by  
 7       this section shall apply to property placed in service after  
 8       December 31, 2013, with respect to disasters declared  
 9       after such date.

10 SEC. 0107. INCREASE IN NEW MARKETS TAX CREDIT FOR  
 11       INVESTMENTS IN COMMUNITY DEVELOP-  
 12       MENT ENTITIES SERVING 2012, 2013, 2014, AND  
 13       2015 DISASTER AREAS.

14       (a) IN GENERAL.—Subsection (f) of section 45D of  
 15       the Internal Revenue Code of 1986 is amended by adding  
 16       at the end the following new paragraph:

17       “(4) INCREASED SPECIAL ALLOCATION FOR  
 18       COMMUNITY DEVELOPMENT ENTITIES SERVING DIS-  
 19       ASTER AREAS WITH RESPECT TO DISASTERS occur-  
 20       RING IN ANY OF CALENDAR YEARS 2012 THROUGH  
 21       2015.—

22       “(A) IN GENERAL.—In the case of each  
 23       calendar year which begins after 2012 and be-  
 24       fore 2017, the new markets tax credit limitation  
 25       shall be increased by an amount equal to

g:\\HLC\\110-171\\0017.000.xml  
November 6, 2017 (19:37 p.m.) (6796234)

1       \$500,000,000, to be allocated among qualified  
 2       community development entities to make qual-  
 3       ified low-income community investments within  
 4       any covered federally declared disaster area.

5       “(B) ALLOCATION OF INCREASE.—The  
 6       amount of the increase in limitation under sub-  
 7       paragraph (A) shall be allocated by the Sec-  
 8       retary under paragraph (2) to qualified commu-  
 9       nity development entities and shall give priority  
 10       to such entities with a record of having success-  
 11       fully provided capital or technical assistance to  
 12       businesses or communities within any covered  
 13       federally declared disaster area or areas for  
 14       which the allocation is requested.

15       “(C) APPLICATION OF CARRYFORWARD.—  
 16       Paragraph (3) shall be applied separately with  
 17       respect to the amount of any increase under  
 18       subparagraph (A).

19       “(D) COVERED FEDERALLY DECLARED  
 20       DISASTER AREA.—For purposes of this para-  
 21       graph, the term “covered federally declared dis-  
 22       aster area” means any disaster area resulting  
 23       from any federally declared disaster occurring  
 24       after December 31, 2011, and before January  
 25       1, 2016. For purposes of the preceding sen-

g:\\HLC\\110-171\\0017.000.xml  
November 6, 2017 (19:37 p.m.) (6796234)

1       tance, the terms “federally declared disaster”  
 2       and “disaster area” have the meanings given  
 3       such terms in section 163(d)(5).”.

4       (b) EFFECTIVE DATE.—The amendments made by  
 5       this section shall apply to calendar years beginning after  
 6       2012.

7 SEC. 0108. SPECIAL RULES FOR USE OF RETIREMENT  
 8       FUND IN CONNECTION WITH FEDERALLY  
 9       DECLARED DISASTERS IN 2012, 2013, 2014, AND  
 10       2015.

11       (a) TAX-FAVORED WITHDRAWALS FROM RETIR-  
 12       EMENT PLANS.—

13       (1) IN GENERAL.—Paragraph (2) of section  
 14       72(t) of the Internal Revenue Code of 1986 is  
 15       amended by adding at the end the following new  
 16       subparagraph:

17       “(II) DISTRIBUTIONS FROM RETIR-  
 18       EMENT PLANS IN CONNECTION WITH FEDERALLY DE-  
 19       CLARED DISASTERS DURING IN ANY CALENDAR  
 20       YEARS AFTER 2011.—Any qualified disaster re-  
 21       covery distribution.”.

22       (2) QUALIFIED DISASTER RECOVERY DISTRI-  
 23       BTION.—Section 72(t) of such Code is amended by  
 24       adding at the end the following new paragraph:

1       “(II) QUALIFIED DISASTER RECOVERY DIS-  
 2       TRIBUTION.—For purposes of paragraph (2)(II)—

3       “(A) IN GENERAL.—Except as provided in  
 4       subparagraph (B), the term “qualified disaster  
 5       recovery distribution” means, with respect to any  
 6       federally declared disaster occurring in any  
 7       calendar year beginning after 2011 and before  
 8       January 1, 2016, any distribution from an eli-  
 9       gible retirement plan made on or after the ap-  
 10       plicable disaster date and before the date that  
 11       is 1 year after the applicable disaster date, to  
 12       an individual whose principal place of abode on  
 13       the applicable disaster date, is located in the  
 14       disaster area and who has sustained an eco-  
 15       nomic loss by reason of such federally declared  
 16       disaster.

17       “(B) DOLLAR LIMITATION.—

18       “(i) IN GENERAL.—For purposes of  
 19       this subsection, the aggregate amount of  
 20       distributions received by an individual with  
 21       respect to any federally declared disaster  
 22       occurring during in any calendar year be-  
 23       ginning after 2011 shall not exceed  
 24       \$100,000.

g:\\HLC\\110-171\\0017.000.xml  
November 6, 2017 (19:37 p.m.) (6796234)

g:\\HLC\\110-171\\0017.000.xml  
November 6, 2017 (19:37 p.m.) (6796234)

1 AND WITHHOLDING RULES.—For purposes  
 2 of sections 401(a)(31), 402(f), and 3405,  
 3 qualified disaster recovery distributions  
 4 shall not be treated as eligible rollover dis-  
 5 tributions.

6       “(ii) QUALIFIED DISASTER RECOVERY  
 7 DISTRIBUTIONS TREATED AS MEETING  
 8 PLAN DISTRIBUTION REQUIREMENTS.—  
 9 For purposes of this title, a qualified dis-  
 10 aster recovery distribution shall be treated  
 11 as meeting the requirements of sections  
 12 401(k)(2)(B)(i), 403(b)(7)(A)(ii),  
 13 409(b)(11), and 457(d)(1)(A).”.

14       “(3) EFFECTIVE DATE.—The amendments made  
 15 by this subsection shall apply to distributions with  
 16 respect to disaster declared after December 31,  
 17 2011.

18       (b) LOANS FROM QUALIFIED PLANS.—

19           “(1) IN GENERAL.—Subsection (p) of section 72  
 20 of the Internal Revenue Code of 1986 is amended by  
 21 adding at the end the following new paragraph:

22              “(ii) INCREASE IN LIMIT ON LOANS NOT TREAT-  
 23 ED AS DISTRIBUTIONS WITH RESPECT TO DISASTERS  
 24 IN ANY CALENDAR YEAR AFTER 2011.—

1       “(A) IN GENERAL.—In the case of any  
 2 loan from a qualified employer plan to a qual-  
 3 ified individual made during the applicable per-  
 4 iod—

5              “(i) clause (i) of paragraph (2)(A)  
 6 shall be applied by substituting “\$100,000”  
 7 for “\$50,000”, and

8              “(ii) clause (ii) of such paragraph  
 9 shall be applied by substituting “the  
 10 present value of the nonforfeitable accrued  
 11 benefit of the employee under the plan” for  
 12 “one-half of the present value of the non-  
 13 forfeitable accrued benefit of the employee  
 14 under the plan”.

15       “(B) DELAY OF REPAYMENT.—In the case  
 16 of a qualified individual with an outstanding  
 17 loan on or after the applicable disaster date  
 18 from a qualified employer plan—

19              “(i) if the due date pursuant to sub-  
 20 paragraph (B) or (C) of paragraph (2) for  
 21 any repayment with respect to such loan  
 22 occurs during the 1-year period beginning  
 23 on the applicable disaster date, such due  
 24 date shall be delayed for 1 year;

1       “(ii) any subsequent repayments with  
 2 respect to any such loan shall be appro-  
 3 priately adjusted to reflect the delay in the  
 4 due date under clause (i) and any interest  
 5 accruing during such delay; and

6       “(iii) in determining the 5-year period  
 7 and the term of a loan under subparagraph  
 8 (B) or (C) of paragraph (2), the per-  
 9 iod described in clause (i) shall be dis-  
 10 regarded.

11       “(C) DEFINITIONS.—For purposes of this  
 12 paragraph—

13           “(i) QUALIFIED INDIVIDUAL.—The  
 14 term ‘qualified individual’ means, with re-  
 15 spect to any federally declared disaster oc-  
 16 curring during in any calendar year begin-  
 17 ning after 2011, an individual whose prin-  
 18 cipal place of abode on the applicable dis-  
 19 aster date is located in the disaster area  
 20 and who has sustained an economic loss by  
 21 reason of such federally declared disaster.

22           “(ii) APPLICABLE PERIOD.—The ap-  
 23 plicable period is the period beginning on  
 24 the applicable disaster date and ending on  
 25 December 31, 2016.

1       “(iii) FEDERALLY DECLARED DIS-  
 2 ASTER AREA.—The terms ‘federally de-  
 3 clared disaster’ and ‘disaster area’  
 4 have the meanings given such terms under  
 5 section 165(b)(5).

6       “(iv) APPLICABLE DISASTER DATE.—  
 7 The term ‘applicable disaster date’ means,  
 8 with respect to any federally declared dis-  
 9 aster, the date on which such federally de-  
 10 clared disaster occurs.”.

11       “(2) EFFECTIVE DATE.—The amendment made  
 12 by this subsection shall apply to loans made with re-  
 13 spect to disaster declared after December 31, 2011.

14       (iv) PROVISIONS RELATING TO PLAN AMEND-  
 15 MENTS.—

16           “(1) IN GENERAL.—If this subsection applies to  
 17 any amendment to any plan or annuity contract,  
 18 such plan or contract shall be treated as being oper-  
 19 ated in accordance with the terms of the plan during  
 20 the period described in paragraph (2)(B)(i).

21           “(2) AMENDMENTS TO WHICH THIS SECTION AP-  
 22 PLIES.—

23              “(A) IN GENERAL.—This subsection shall  
 24 apply to any amendment to any plan or annuity  
 25 contract which is made—

33

1       (b) EFFECTIVE DATE.—The amendment made by  
 2 this section shall apply to taxable years beginning after  
 3 December 31, 2011.

4 **SEC. 6110. EXCLUSIONS OF CERTAIN CANCELLATIONS OF**  
 5 **INDEBTEDNESS BY REASON OF 2012, 2013,**  
 6 **2014, AND 2015 DISASTERS.**

7       (a) IN GENERAL.—Section 108 of the Internal Rev-  
 8 enue Code of 1986 is amended by adding at the end the  
 9 following new subsection:

10       “(j) DISCHARGE OF INDEBTEDNESS FOR INDIVID-  
 11 UAL AREA AFFECTED BY DISASTERS IN ANY CALENDAR YEAR  
 12 AFTER 2011.—

13       “(1) IN GENERAL.—Except as provided in para-  
 14 graph (2), gross income shall not include any  
 15 amount which (but for this subsection) would be in-  
 16 cluded in gross income by reason of any discharge  
 17 (in whole or in part) of indebtedness of a natural  
 18 person described in paragraph (3) by an applicable  
 19 entity (as defined in section 6050P(e)(1)) during the  
 20 applicable period.

21       “(2) EXCEPTIONS FOR BUSINESS INDEBTED-  
 22 NESS.—Paragraph (1) shall not apply to any indebt-  
 23 edness incurred in connection with a trade or busi-  
 24 ness.

g:\\VHL\\C1\\ed\\11\\10817.000.xml (6796934)  
November 8, 2017 (12:22 p.m.)

34

1       “(3) PERSONS DESCRIBED.—A natural person  
 2 is described in this paragraph if the principal place  
 3 of abode of such person on the applicable disaster  
 4 date was located in the disaster area with respect to  
 5 any federally declared disaster occurring during any  
 6 calendar year beginning after 2011 and before 2016,

7       “(4) APPLICABLE PERIOD.—For purposes of  
 8 this subsection, the term ‘applicable period’ means  
 9 the period beginning on the applicable disaster date  
 10 and ending on the date which is 14 months after  
 11 such date.

12       “(5) OTHER DEFINITIONS.—For purposes of  
 13 this subsection—

14       “(A) FEDERALLY DECLARED DISASTER;  
 15 DISASTER AREA.—The terms ‘federally declared  
 16 disaster’ and ‘disaster area’ have the meanings  
 17 given such terms under section 165(l)(5).

18       “(B) APPLICABLE DISASTER DATE.—The  
 19 term ‘applicable disaster date’ means, with re-  
 20 spect to any federally declared disaster, the  
 21 date on which such federally declared disaster  
 22 occurs.”.

23       (b) EFFECTIVE DATE.—The amendment made by  
 24 this section shall apply to discharges made on or after De-  
 25 cember 31, 2011.

g:\\VHL\\C1\\ed\\11\\10817.000.xml (6796934)  
November 8, 2017 (12:22 p.m.)

35

1 **SEC. 6111. SPECIAL RULE FOR DETERMINING EARNED IN-**  
 2 **COME OF INDIVIDUALS AFFECTED BY FEDER-**  
 3 **ALLY DECLARED DISASTERS.**

4       (a) IN GENERAL.—Section 32 of the Internal Rev-  
 5 enue Code of 1986 is amended by adding at the end the  
 6 following new subsection:

7       “(n) SPECIAL RULE FOR DETERMINING EARNED IN-  
 8 COME OF TAXPAYERS AFFECTED BY FEDERALLY DE-  
 9 CLARED DISASTERS.—

10       “(1) IN GENERAL.—In the case of a qualified  
 11 individual with respect to any federally declared dis-  
 12 aster occurring during any calendar year beginning  
 13 after 2011, if the earned income of the taxpayer for  
 14 the taxable year which includes the applicable dis-  
 15 aster date is less than the earned income of the tax-  
 16 payer for the preceding taxable year, the credit al-  
 17 lowed under this section and section 246(l) may, at  
 18 the election of the taxpayer, be determined by sub-  
 19 stituting—

20       “(A) such earned income for the preceding  
 21 taxable year, for

22       “(B) such earned income for the taxable  
 23 year which includes the applicable date.

24       “(2) QUALIFIED INDIVIDUAL.—For purposes of  
 25 this subsection, the term ‘qualified individual’  
 26 means, with respect to any federally declared dis-

36

1 aster occurring during in any calendar year begin-  
 2 ning after 2011 and before 2016, any individual  
 3 whose principal place of abode on the applicable dis-  
 4 aster date, was located—

5       “(A) in any portion of a disaster area de-  
 6 termined by the President to warrant individual  
 7 or individual and public assistance under the  
 8 Robert T. Stafford Disaster Relief and Emer-  
 9 gency Assistance Act by reason of the federally  
 10 declared disaster, or

11       “(B) in any portion of the disaster area  
 12 not described in subparagraph (A) and such in-  
 13 dividual was displaced from such principal place  
 14 of abode by reason of the federally declared dis-  
 15 aster.

16       “(3) OTHER DEFINITIONS.—For purposes of  
 17 this paragraph—

18       “(A) FEDERALLY DECLARED DISASTER;  
 19 DISASTER AREA.—The terms ‘federally declared  
 20 disaster’ and ‘disaster area’ have the meanings  
 21 given such terms under section 165(l)(5).

22       “(B) APPLICABLE DISASTER DATE.—The  
 23 term ‘applicable disaster date’ means, with re-  
 24 spect to any federally declared disaster, the

g:\\VHL\\C1\\ed\\11\\10817.000.xml (6796934)  
November 8, 2017 (12:22 p.m.)g:\\VHL\\C1\\ed\\11\\10817.000.xml (6796934)  
November 8, 2017 (12:22 p.m.)

bond described in paragraph (1) or (2) of section 142(a), one advance refunding after the date of the enactment of this paragraph and before January 1, 2018, shall be allowed under the applicable rules of this subsection (notwithstanding paragraph (2) thereof) if the requirements of clauses (i) and (ii) of subparagraph (A) are met.

**(C) BONDS DESCRIBED.—**A bond is described in this paragraph if, with respect to any federally declared disaster, such bond—

“(i) was outstanding on the applicable disaster date; and

“(ii) is issued by an applicable State or a political subdivision thereof.

**(D) AGGREGATE LIMIT.—**The maximum aggregate face amount of bonds which may be designated under this subsection by the Governor of a State shall not exceed \$4,500,000,000.

**(E) ADDITIONAL REQUIREMENTS.—**The requirements of this subparagraph are met with respect to any advance refunding of a bond described in subparagraph (C) if—

“(i) no advance refundings of such bond would be allowed under this title on or after the applicable disaster date;

“(ii) the advance refunding bond is the only other outstanding bond with respect to the refunded bond; and

“(iii) the requirements of section 148 are met with respect to all bonds issued under this paragraph.

**(F) DEFINITIONS.—**For purposes of this subsection—

**(i) FEDERALLY DECLARED DISASTER AREA.—**The terms ‘federally declared disaster’ and ‘disaster area’ have the meanings given such terms under section 165(i)(5).

**(ii) APPLICABLE DISASTER DATE.—**The term ‘applicable disaster date’ means, with respect to any federally declared disaster, the date on which such federally declared disaster occurs.

**(iii) APPLICABLE STATE.—**The term ‘applicable State’ means, with respect to any federally declared disaster, any State

in which a portion of the disaster area is located.”.

**(b) EFFECTIVE DATE.—**The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

#### 6. SRC. 1414. QUALIFIED DISASTER AREA RECOVERY BONDS.

**(a) IN GENERAL.—**Subpart A of part IV of chapter B of chapter 1 of the Internal Revenue Code of 1986 is intended by inserting after section 146 the following new section:

#### 11. “SEC. 146A. QUALIFIED DISASTER AREA RECOVERY BONDS.

**(i) IN GENERAL.—**For purposes of this title, any qualified disaster area recovery bond shall—

“(1) be treated as an exempt facility bond; and

“(2) not be subject to section 146.

**(ii) QUALIFIED DISASTER AREA RECOVERY BOND.—**For purposes of this section, the term ‘qualified disaster area recovery bond’ means any bond issued on part of an issue if—

“(1) 95 percent or more of the net proceeds of such issue are to be used for qualified project costs;

“(2) such bond is issued by a State or any political subdivision thereof any part of which is a qualified disaster area;

“(3) the Governor of the issuing State designates such bond for purposes of this section; and

“(4) such bond is issued after the date of the enactment of this section and before January 1, 2017.

#### 6. (b) LIMITATION ON AMOUNT OF BONDS.—

**(i) IN GENERAL.—**The maximum aggregate face amount of bonds which may be designated under this section by any State shall not exceed \$10,000,000,000.

**(ii) MOVEABLE PROPERTY.—**No bonds shall be issued which are to be used for moveable fixtures and equipment.

**(iii) TREATMENT OF CURRENT REFUNDING BONDS.—**Paragraph (1) shall not apply to any bond (or series of bonds) issued to refund a qualified disaster area recovery bond, if—

“(A) the average maturity date of the bonds of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue;

“(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond; and

"(J) INCREASE IN STATE HOUSING CREDIT FOR STATES DAMAGED BY NATURAL DISASTER.—

"(i) IN GENERAL.—In the case of calendar year 2016, the State housing credit ceiling of such State any portion of which includes any portion of a qualifying disaster area shall be increased by so much of the aggregate housing credit dollar amount as does not exceed the applicable limitation allocated by the State housing credit agency of such State for such calendar year to buildings located in qualifying disaster areas.

"(ii) APPLICABLE LIMITATION.—For purposes of clause (i), the applicable limitation is the greater of—

"(I) \$8 multiplied by the population of the qualifying disaster areas in such State; or

"(II) 50 percent of the State housing credit ceiling (determined without regard to this subparagraph) for 2015.

"(iii) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage with respect to any building to which amounts allocated under clause (i) shall be determined under subsection (b)(2), except that subparagraph (A) thereof shall be applied by substituting "January 1, 2016" for "January 1, 2015".

"(iv) ALLOCATIONS TREATED AS MADE FIRST FROM ADDITIONAL ALLOCATION AMOUNT FOR PURPOSES OF DETERMINING CARRYOVER.—For purposes of determining the unused State housing credit ceiling under subparagraph (C) for any calendar year, any increase in the State housing credit ceiling under clause (i) shall be treated as an amount described in clause (ii) of such subparagraph.

"(v) QUALIFYING DISASTER AREA.—For purposes of this subparagraph, the term 'qualifying federally declared disaster area' means—

"(I) each county which is determined to warrant individual or individual and public assistance from the

Federal Government under a qualifying natural disaster declaration described in clause (vi)(I), and

"(II) each county not described in subclause (I) which is included in the geographical area covered by a qualifying natural disaster declaration described in subclause (II) or (III) of clause (vi).

"(vi) QUALIFYING NATURAL DISASTER DECLARATION.—For purposes of clause (v), the term 'qualifying natural disaster declaration' means—

"(I) a federally declared disaster (as defined in section 105(i)(5)) occurring during the period beginning after December 31, 2011, and before January 1, 2016;

"(II) a natural disaster declared by the Secretary of Agriculture in 2011 due to damaging weather and other conditions relating to Hurricane Irene or Tropical Storm Lee under section 321(a) of the Consolidated

Farm and Ranch Development Act (7 U.S.C. 1961(a)), or

"(III) a major disaster or emergency designated by the President in 2011 due to damaging weather and other conditions relating to Hurricane Irene or Tropical Storm Lee under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)."

"(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

14 SEC. 6116. FACILITATION OF TRANSFER OF WATER LEASING AND WATER BY MUTUAL DITCH OR IRRIGATION COMPANIES IN DISASTER AREAS.

"(a) IN GENERAL.—Paragraph (12) of section 501(e) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(I) TREATMENT OF MUTUAL DITCH OR IRRIGATION COMPANIES IN CERTAIN DISASTER AREAS.—

"(II) IN GENERAL.—In the case of a qualified mutual ditch or irrigation company or like organization, subparagraph

## 1 SEC. 4002. NATURAL DISASTER FUNDS.

2       (a) NATURAL DISASTER FUND.—Subpart C of part  
 3 II of subchapter E of chapter 1 of the Internal Revenue  
 4 Code of 1986 is amended by inserting after section 4083  
 5 the following new section:

6 SEC. 4002. SPECIAL RULES FOR NATURAL DISASTER  
 7 FUNDS.

8       “(a) IN GENERAL.—If a qualified taxpayer elects the  
 9 application of this section, there shall be allowed as a de-  
 10 duction for any taxable year the amount of payments  
 11 made by the taxpayer to a natural disaster fund during  
 12 such taxable year.

13       “(b) NATURAL DISASTER FUND.—The term ‘natural  
 14 disaster fund’ means a fund meeting the following require-  
 15 ments:

16       “(1) DESIGNATION.—The taxpayer des-  
 17 ignates—

18           “(A) the fund as a natural disaster fund in  
 19 the manner prescribed by the Secretary; and

20           “(B) the line or lines of business to which  
 21 the fund applies.

22       “(2) SEGREGATION.—The assets of the fund  
 23 are segregated from other assets of the taxpayer.

24       “(3) INVESTMENTS.—

1       “(A) The assets of the fund are main-  
 2 tained in one or more qualified accounts and  
 3 are invested only in—

4           “(i) deposits with banks whose depos-  
 5 its are insured subject to applicable limits  
 6 by the Federal Deposit Insurance Corpora-  
 7 tion; or

8           “(ii) in stock or other securities in  
 9 which the fund would be permitted to invest if it were a capital construction com-  
 10 pany subject to the investment limitations of  
 11 paragraphs (2) and (3) of section  
 12 7518(b)(2).

13           “(B) All investment earnings (including  
 14 gains and losses) from investments of the fund  
 15 become part of the fund.

16       “(4) CONTRIBUTIONS TO THE FUND.—The  
 17 fund does not accept any deposits (or other  
 18 amounts) other than cash payments with respect to  
 19 which a deduction is allowable under subsection (a)  
 20 and earnings (including gains and losses) from fund  
 21 investments.

22       “(5) PURPOSE.—The fund is established and  
 23 maintained for the purposes of covering costs, ex-  
 24 penses, and losses (including business interruption

1       losses) resulting from a Federally declared natural  
 2 disaster to the extent such costs are not covered by  
 3 insurance.

4       “(6) MAXIMUM BALANCE.—The balance of the  
 5 fund does not exceed the lesser of—

6           “(i) the sum of—

7              “(I) 150 percent of the maximum de-  
 8 ductible, and

9              “(II) 100 percent of the maximum em-  
 10 surement (to the extent not taken into ac-  
 11 count in clause (i)),

12       that, in the case of a Federally declared natural  
 13 disaster resulting in losses, the taxpayer could  
 14 be expected to pay with respect to property and  
 15 business interruption insurance maintained by  
 16 the taxpayer for the line of business to which  
 17 the fund applies and that would cover losses re-  
 18 sulting from a Federally declared natural dis-  
 19 aster; and

20           “(B) the maximum loss under any insur-  
 21 ance coverage that the taxpayer could reason-  
 22 ably expect to incur for the line of business in  
 23 the case of a severe natural disaster.

24       “(7) FINANCIAL STATEMENTS.—The fund or  
 25 the balance of the fund is recorded in the taxpayer’s

1       financial statements in accordance with generally ac-  
 2 cepted accounting principles and not as a current  
 3 asset and the footnotes to the taxpayer’s financial  
 4 statements include a short description of the fund  
 5 and its purposes.

6       “(8) INSURANCE.—The taxpayer property in-  
 7 surance maintained by the qualified taxpayer applies  
 8 to 75 percent or more of the property used—

9           “(A) in the qualified taxpayer’s line of  
 10 business to which the fund relates; and

11           “(B) in the United States.

12       “(e) QUALIFIED TAXPAYER.—For purposes of this  
 13 section, the term ‘qualified taxpayer’ means any taxpayer  
 14 that—

15           “(1) actively conducts a trade or business; and

16           “(2) maintains property insurance with respect  
 17 to such trade or business that insures against losses  
 18 in natural disasters.

19       “(d) FAILURE TO MEET REQUIREMENTS.—If a fund  
 20 that was a natural disaster fund ceases to meet any of  
 21 the requirements of subsection (b) or a taxpayer who has  
 22 a natural disaster fund ceases to meet the requirement  
 23 of subsection (e), the entire balance of the fund shall be  
 24 deemed distributed in a nonmodified distribution at the  
 25 time the fund ceases to meet such requirements.

under subsection (b)(6) in determining the maximum balance for a natural disaster fund shall not be taken into account in determining the maximum balance for another natural disaster fund.

**"(2) EXCESS BALANCE.—**

**"(A) IN GENERAL.—**If the balance of a natural disaster fund exceeds the maximum balance permitted by subsection (b)(6) by reason of investment earnings or a reduction in the maximum balance, the amount shall not cease to be a natural disaster fund as the result of exceeding such limit if the excess is distributed within 120 days of the date that such excess first occurred.

**"(B) TREATMENT OF DISTRIBUTIONS OF EXCESS BALANCE.—**In the case of any distribution of the excess balance of a natural disaster fund within 120 days of the date that such excess first occurred—

(i) paragraph (2) and (3) of subsection (f) shall not apply to the distribution of such excess if distributed within such period, and

(ii) the amount of such distribution shall be included in the gross income of the

taxpayer in the year such distribution was made.

**"(C) ANTI-AUSTR RULE.—**Subparagraph (B) shall not apply in the case of any reduction in the maximum balance resulting from any action of the taxpayer the primary purpose of which was to reduce the maximum balance to enable a distribution that would not be subject to the maximum tax rate calculation or the additional tax.

**"(D) CERTAIN ASSET ACQUISITIONS.—**The transfer of a natural disaster fund (or the portion of a natural disaster fund) from one person to another person shall not constitute a nonqualified distribution if—

(A) such transfer is part of a transaction—

(i) to which section 381 applies,

(ii) the transferee acquires substantially all of the assets of the transferor used in the line or lines of business for which the fund was designated,

(iii) the transferee acquires substantially all of the assets of the transferor used in one, but not all, of the lines of

business for which the fund was designated, or

(iv) the transferee acquires substantially all of the transferor's assets located in a geographical area and used in a line of business for which the fund was designated, and

(B) the transferee elects to treat the acquired natural disaster fund (or portion thereof) as a natural disaster fund for the line of business for which the transferor had previously designated the fund and as a continuation of the fund (or pro rata portion thereof) for purposes of determining the additional tax imposed by subsection (f)(4).

**"(E) REGULATIONS.—**The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this section.”.

**"(F) CLERICAL AMENDMENT.—**The table of sections for subpart C of part II of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 468B the following new item:

“Sec. 468C. Special rules for natural disaster funds.”.

**"(c) EFFECTIVE DATE.—**The amendment made by this section shall apply to taxable years beginning after December 31, 2014.

## **Subtitle C—Permanent Tax Disaster Relief Provisions**

**6 SEC. 601. INCREASE PROPERTY REPLACEMENT PERIOD**  
**TO 5 YEARS.**

**"(a) IN GENERAL.—**Section 1033(n)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

**"(P) FEDERALLY DECLARED DISASTER.—**  
**"(i) IN GENERAL.—**In the case of converted property that is located in the disaster area of a federally declared disaster occurring during a calendar year beginning after 2011 and that is damaged or destroyed by the federally declared disaster, subparagraph (B)(i) shall be applied by substituting ‘5 years’ for ‘2 years’.

**"(ii) FEDERALLY DECLARED DISASTER AND DISASTER AREA.—**For purposes of clause (i), the terms ‘federally declared disaster’ and ‘disaster area’ have the meanings given such terms under section 165(i)(5).”.

"(II) IN GENERAL.—In the case of expenses directly related to an injury caused by a federally declared disaster occurring during the taxable year or the preceding taxable year, there shall be allowed a separate deduction under this section, which shall be determined under this section (without regard to this subsection), except that—

(A) subsection (a) shall be applied by substituting "zero percent" for "10 percent"; and

(B) subsection (f) shall be applied by substituting "zero percent" for "7.5 percent".

"(3) COORDINATION.—Any expense taken into account under paragraph (1) shall not be treated as an expense taken into account under this section (without regard to this section).

"(3) FEDERALLY DECLARED DISASTER.—For purposes of this subsection, the term "federally declared disaster" shall have the meaning given such term under section 165(i)(3)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to disasters occurring after the date of the enactment of this Act.

#### SEC. 6304. EXPENSING OF QUALIFIED DISASTER EXPENSES.

(a) IN GENERAL.—Section 108A(b)(2)(A)(ii) of the Internal Revenue Code of 1986, as added by section 101

#### SEC. 6307. SPECIAL RULES FOR USE OF RETIREMENT FUNDS IN CONNECTION WITH FEDERALLY DECLARED DISASTERS.

(a) WITHDRAWALS.—Section 72(t)(11)(A) of the Internal Revenue Code of 1986, as amended by section 108 of this Act, is amended by striking "2011 and before January 1, 2016," and inserting "2011".

(b) LOANS.—Section 72(q)(6)(C)(ii) of such Code is amended by striking "and ending on December 31, 2016".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions with respect to disaster declared after December 31, 2015.

#### SEC. 6308. ADDITIONAL EXEMPTION FOR HOUSING QUALIFIED DISASTER DISPLACED INDIVIDUALS.

(a) IN GENERAL.—Section 153(f)(3)(E)(ii) of the Internal Revenue Code of 1986, as amended by section 109 of this Act, is amended by striking "and before 2016".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

#### SEC. 6309. EXCLUSIONS OF CERTAIN CANCELLATIONS OF INDEBTEDNESS BY REASON OF DISASTERS.

(a) IN GENERAL.—Section 108(j)(9) of the Internal Revenue Code of 1986, as amended by section 110 of this Act, is amended by striking "and before 2016".

of this Act, is amended by striking "and before January 1, 2016".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or incurred after December 31, 2015.

#### SEC. 6305. LOSSES ATTRIBUTABLE TO DISASTERS.

(a) IN GENERAL.—Section 165(h)(3)(D)(ii)(I) of the Internal Revenue Code of 1986, as amended by section 103 of this Act, is amended by striking "the period beginning after December 31, 2011, and before January 1, 2016," and inserting "any period beginning after December 31, 2011".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters declared in taxable years beginning after December 31, 2015.

#### SEC. 6306. NET OPERATING LOSSES ATTRIBUTABLE TO DISASTERS.

##### (a) IN GENERAL.

(a) IN GENERAL.—Section 172(e)(1)(A)(ii)(I) of the Internal Revenue Code of 1986 is amended by striking "and before January 1, 2016".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters declared in taxable years beginning after December 31, 2015.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to discharges made on or after December 31, 2015.

#### SEC. 6310. SPECIAL RULE FOR DETERMINING EARNED INCOME OF INDIVIDUALS AFFECTED BY FEDERALLY DECLARED DISASTERS.

(a) IN GENERAL.—Section 32(e)(2) of the Internal Revenue Code of 1986, as amended by section 111 of this Act, is amended by striking "and before 2016".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2015.

#### SEC. 6311. QUALIFIED DISASTER AREA RECOVERY BONDS.

(a) IN GENERAL.—Section 146A(b)(4) of the Internal Revenue Code of 1986, as amended by section 114 of this Act, is further amended by striking "and before January 1, 2017".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 2015.

#### SEC. 6312. ADDITIONAL LOW-INCOME HOUSING CREDIT ALLOWANCES.

(a) IN GENERAL.—Section 42(h)(3)(J) of the Internal Revenue Code of 1986, as amended by section 115 of this Act, is amended—

graph (A)(ii) shall be made separately by each partner or shareholder".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2015.

**SEC. 6314. INCREASE IN NEW MARKET'S TAX CREDIT ALLOCATION.**

**CATIONS.**

(a) EXTENSION.—Section 43(d)(3)(A) of the Internal Revenue Code of 1986, as amended by the preceding provisions of this Act, is amended—

(1) by striking "and before 2017", in subparagraph (A), and

(2) by striking ", and before January 1, 2016" in subparagraph (D).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters occurring after December 31, 2015.

**SEC. 6315. INCREASE IN REHABILITATION CREDIT FOR BUILDINGS IN DISASTER AREAS.**

(a) IN GENERAL.—Section 47(e)(2)(B) of the Internal Revenue Code of 1986, as added by this Act, is amended

by striking "and ending on December 31, 2015" and inserting "and ending on the date that is 6 years after

such applicable disaster date".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to periods beginning after December 31, 2015.

**SEC. 6316. WAIVER OF CERTAIN MORTGAGE REVENUE BOND REQUIREMENTS FOLLOWING DISASTERS.**

(a) IN GENERAL.—Section 148(d)(13) of the Internal Revenue Code of 1986, as amended by this Act, is amended by striking ", and before January 1, 2016".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters occurring after December 31, 2015.

**SEC. 6317. ADVANCED REPURCHASES OF CERTAIN TAX-EXEMPT BONDS.**

(a) IN GENERAL.—Section 149(d)(7)(A) of the Internal Revenue Code of 1986, as added by this Act, is amended by striking "and before January 1, 2018".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued December 31, 2017.

**SEC. 6318. FACILITATION OF TRANSFER OF WATER LEASING AND WATER BY MUTUAL DITCH OR IRRIGATION COMPANIES IN DISASTER AREAS.**

(a) IN GENERAL.—Section 501(e)(12)(F) of the Internal Revenue Code of 1986, as added by this Act, is amended—

(1) by striking "through 2015" in clause (ii)(I), and

(2) by striking ", and ending on December 31, 2015" in clause (iv)(I).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters occurring after December 31, 2015.

**SEC. 6319. EXCLUSION OF EMPLOYER PROVIDED HOUSING FOR INDIVIDUAL AFFECTED BY DISASTER.**

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended

by inserting before section 140 the following new section:

**SEC. 140G. EMPLOYER-PROVIDED HOUSING FOR INDIVIDUAL AFFECTED BY DISASTER.**

(a) IN GENERAL.—Gross income of a qualified employee shall not include the value of any lodging furnished

in kind to such employee (and such employee's spouse or

any of such employee's dependents) by or on behalf of a

qualified employer for any month during the taxable year.

(b) LIMITATION.—The amount which may be excluded under this section for any month for which lodging is furnished during the taxable year shall not exceed \$600.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) QUALIFIED EMPLOYEE.—The term 'qualified employee' means, with respect to any month, an individual—

(A) who had a principal residence (as defined in section 121) in a disaster area, and

(B) who performs substantially all employment services—

(i) in such area, and

(ii) for the qualified employer which furnishes lodging to such individual.

(2) QUALIFIED EMPLOYER.—For purposes of this section, the term 'qualified employee' means any employee with a trade or business located in the disaster area.

(3) DISASTER AREA; FEDERALLY DECLARED DISASTER.—The terms 'disaster area' and 'federally declared disaster area' shall have the respective meanings given such terms in section 165(i).

1       urred with respect to such disaster area, subsection  
 2       (b) shall not apply; and  
 3       "(2) this section shall be applied, except as pro-  
 4       vided in subsection (d)(2), by treating petroleum  
 5       products (as defined in section 4612(a)(3)) as a haz-  
 6       ardous substance.".

7       (b) EFFECTIVE DATE.—The amendment made by  
 8       this section shall apply to disasters occurring after Decem-  
 9       ber 31, 2015.

10 **SEC. 6324. TAXPAYER FILING ASSISTANCE.**

11       (a) IN GENERAL.—Section 7508A of the Internal  
 12       Revenue Code of 1986 is amended by adding at the end  
 13       the following new subsection:

14       "(d) STATE-DECLARED DISASTERS OR EMER-  
 15       GENCIES.—

16       "(1) IN GENERAL.—In the case of a taxpayer  
 17       determined by the Governor of a State (or in the  
 18       case of the District of Columbia, the Mayor) to be  
 19       affected by a state of emergency or disaster declared  
 20       by such Governor (or Mayor), the Secretary may,  
 21       pursuant to a request by such Governor (or Mayor)  
 22       made under this subsection, specify a period de-  
 23       scribed in subsection (a) with respect to such tax-  
 24       payer.

1       "(2) STATE.—For purposes of this subsection,  
 2       the term 'State' includes the District of Columbia,  
 3       the Commonwealth of Puerto Rico, the Virgin Is-  
 4       lands, Guam, American Samoa, and the Com-  
 5       monwealth of the Northern Mariana Islands".

6       (b) EFFECTIVE DATE.—The amendment made by  
 7       this section shall apply to declarations made after Decem-  
 8       ber 31, 2015.

9 **Subtitle D—Relief Relating to  
 10 Puerto Rico and United States  
 11 Virgin Islands**

12 **SEC. 6401. APPLICATION OF DISASTER-RELATED TAX RE-  
 13 LIEF TO POSSESSIONS OF UNITED STATES.**  
 14       (a) PAYMENTS TO UNITED STATES VIRGIN ISLANDS  
 15 AND PUERTO RICO.—

16       (1) PROVISIONS OF THIS ACT.—  
 17           (A) UNITED STATES VIRGIN ISLANDS.—  
 18       The Secretary of the Treasury shall periodically  
 19       (but not less frequently than annually) pay to  
 20       the United States Virgin Islands amounts equal  
 21       to the sum of loss in revenues to the United  
 22       States Virgin Islands by reason of the applica-  
 23       tion of the provisions of this Act and amend-  
 24       ments made by this Act.

1       Such amounts shall be determined by the Secretary  
 2       of the Treasury based on information provided by  
 3       the government of the United States Virgin Islands;

4       (B) PUERTO RICO.—The Secretary of the  
 5       Treasury shall pay to Puerto Rico amounts es-  
 6       timated by the Secretary of the Treasury as  
 7       being equal to the aggregate benefits that would  
 8       have been provided to residents of Puerto Rico  
 9       by reason of the provisions of this Act if a mir-  
 10       ror code tax system had been in effect in Puerto  
 11       Rico. The preceding sentence shall not apply  
 12       unless the government of Puerto Rico has a  
 13       plan, which has been approved by the Secretary  
 14       of the Treasury, under which Puerto Rico will  
 15       promptly distribute such payments to its resi-  
 16       dents.

17       (C) EARNED INCOME CREDIT.—Section 32 of  
 18       the Internal Revenue Code of 1986, as amended by  
 19       this Act, is amended by adding at the end the fol-  
 20       lowing:

21       "(o) TREATMENT OF POSSESSIONS.—

22           "(1) PAYMENTS TO POSSESSIONS.—

23              (A) VIRGIN ISLANDS.—The Secretary of  
 24       the Treasury shall periodically (but not less fre-  
 25       quently than annually) pay to the Virgin Is-

1       lunds amounts equal to the loss to that posse-  
 2       sion by reason of the application of this section  
 3       (determined without regard to paragraph (2))  
 4       with respect to taxable years beginning after  
 5       December 31, 2016. Such amounts shall be de-  
 6       termined by the Secretary of the Treasury  
 7       based on information provided by the govern-  
 8       ment of such possession;

9       (B) PUERTO RICO.—The Secretary of the  
 10       Treasury shall periodically (but no less fre-  
 11       quently than annually) pay to Puerto Rico  
 12       amounts estimated by the Secretary of the  
 13       Treasury as being equal to the aggregate bene-  
 14       fits that would have been provided to residents  
 15       of such possession by reason of the applica-  
 16       tion of this section for taxable years beginning after  
 17       December 31, 2016, if a mirror code tax system  
 18       had been in effect in such possession. The pre-  
 19       ceding sentence shall not apply unless the gov-  
 20       ernment of Puerto Rico has a plan, which has  
 21       been approved by the Secretary of the Treas-  
 22       ury, under which such possession will promptly  
 23       distribute such payments to the residents of  
 24       such possession.

**1 SEC. 6404. PUERTO RICO RESIDENTS ELIGIBLE FOR  
2 EARNED INCOME TAX CREDIT.**

**3 (a) IN GENERAL.—**Section 32 of the Internal Rev-  
4 enue Code of 1986 (relating to earned income) is amended  
5 by adding at the end the following new subsection:

**6 “(u) RESIDENTS OF PUERTO RICO.—**

**7 (1) IN GENERAL.—**In the case of residents of  
8 Puerto Rico—

**9 (A)** the United States shall be treated as  
10 including Puerto Rico for purposes of sub-  
11 sections (c)(1)(A)(ii)(I) and (c)(3)(C);

**12 (B)** subsection (e)(1)(D) shall not apply  
13 to nonresident alien individuals who are resi-  
14 dents of Puerto Rico;

**15 (C)** adjusted gross income and gross in-  
16 come shall be computed without regard to sec-  
17 tion 933 for purposes of subsections (a)(2)(B)  
18 and (e)(2)(A)(i);

**19 (D)** subsection (e)(1)(A)(ii)(II) shall be  
20 applied by substituting ‘age 21’ for ‘age 25’,  
21 and

**22 (E)** notwithstanding subsection (b)—

**23 (i)** the credit percentage is 40;

**24 (ii)** the phaseout percentage is 21.06;

**25 (iii)** the earned income amount is  
26 \$8,890, and

g:\\HLC\\110017\\110017.000.xml  
November 6, 2017 (12:29 p.m.) 167960341

**1 (iv)** the phaseout amount is \$11,610  
2 (increased by \$3,000 in the case of a joint  
3 return).

**4 (2) INFLATION ADJUSTMENT.—**Subsection (j)  
5 shall apply to the dollar amounts in subparagraph  
6 (D), determined by treating the \$8,890 and \$11,610  
7 amounts as though such amounts were contained in  
8 subsection (b)(2)(A) and by treating the \$3,000  
9 amount as though such amount were contained in  
10 subsection (b)(2)(B)(iii).”,

**11 (b) CHILD TAX CREDIT NOT REQUIRED.—**Subclause  
12 (ii) of section 24(d)(1)(B)(ii) of such Code (relating to  
13 child tax credit) is amended by inserting before the period  
14 “(determined without regard to section 32(u) in the case  
15 of residents of Puerto Rico)’.

**16 (c) EFFECTIVE DATE.—**The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2015.

**19 SEC. 6405. EQUITABLE TREATMENT FOR RESIDENTS OF  
20 PUERTO RICO WITH RESPECT TO THE RE-  
21 FUNDABLE PORTION OF THE CHILD TAX  
22 CREDIT.**

**23 (a) IN GENERAL.—**Section 24(d)(1) of the Internal  
24 Revenue Code of 1986 is amended by inserting “or section  
25 933” after “section 112”.

g:\\HLC\\110017\\110017.000.xml  
November 6, 2017 (12:29 p.m.) 167960341

**1 (b) EFFECTIVE DATE.—**The amendment made by  
2 subsection (a) shall apply to taxable years beginning after  
3 December 31, 2015.

**4 SEC. 6406. TECHNICAL ASSISTANCE AND ADMINISTRATIVE  
5 RELIEF.**

**6 (a) TECHNICAL ASSISTANCE.—**The Secretary of the  
7 Treasury shall provide to the Governments of Puerto Rico  
8 and the Virgin Islands such technical assistance and ad-  
9 ministrative support as may be necessary to carry out the  
10 provisions of this Act.

**11 (b) ADMINISTRATIVE RELIEF.—**The Secretary may  
12 provide such relief as may be necessary or appropriate,  
13 due to federally declared disasters (as defined in section  
14 165(i)(5)), for filing returns, statements, or such other in-  
15 formation as the Secretary designates.

**16 Subtitle E—Corporate Rate In-  
17 crease to Achieve Revenue Neu-  
18 trality**

**19 SEC. 6501. CORPORATE RATE INCREASE TO ACHIEVE REV-  
20 ENUE NEUTRALITY.**

**21 (a) IN GENERAL.—**The rate of tax specified in sec-  
22 tion 11(b)(1) of the Internal Revenue Code of 1986 (after  
23 the amendment made by section 3001(n)) shall be in-  
24 creased by such number of percentage points as is nec-  
25 essary to fully offset the aggregate reduction in Federal

**1 revenues which result from the amendments made by this  
2 title.**

**3 (b) EFFECTIVE DATE.—**Subsection (a) shall apply as  
4 if such provision were an amendment made by section  
5 3001(n).

